

# **OPERATING FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**March 31, 2021**

A handwritten signature in black ink, appearing to read "Eugene H. Schied".

**EUGENE H. SCHIED  
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**MANAGEMENT OVERVIEW  
MARCH 31, 2021**

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**Balance Sheets**

Cash and cash equivalents had a month-end balance of approximately \$90.3 million. The balance decreased by \$5.7 million for the month primarily reflecting cash disbursements for operating expenses and capital expenditures. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2021.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. It had a month-end balance of \$100 thousand.

Other accounts receivable, net had a month-end balance of approximately \$120.9 million. Its balance increased by approximately \$99.9 million from prior month primarily due to the receivable for the 2021 Operating Fee. The Operating Fee was invoiced in March and is due in April 2021.

Accounts payable are trade, relocation and inter-agency payables. The balance decreased by \$2 million for the month primarily due to vendor/trade and overhead transfer payables.

Accrued wages and benefits are earned by NCUA staff, but remain unpaid at month-end.

Accrued annual leave is leave earned by NCUA staff, but not yet used.

**Statements of Revenues, Expenses, and Changes in Fund Balance**

Expenses in excess of revenues totaled \$1.2 million for the month. Operating fees reflects one-twelfth of the 2021 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 62.3 percent of expenses to the Share Insurance Fund.

**Statements of Cash Flows**

The cash position decreased \$5.7 million from prior month. In the current month, \$5.3 million was used in operating activities, \$332 thousand was used in investing activities, and \$19 thousand was used in financing activities on capital lease obligations.

**Other Information**

The Agency had 48 vacancies as of month-end. Of the 48 vacancies, 12 were in the central office and 36 were in the regions and Asset Management and Assistance Center (AMAC). The 48 vacancies represent 4.0 percent of total authorized staff of 1,192.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**BALANCE SHEETS**

**As of March 31, 2021 and 2020**

**(Dollars in thousands)**

	<b>March 2021</b>	<b>March 2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 90,314	\$ 64,855
Due from National Credit Union Share Insurance Fund	100	125
Employee advances	15	16
Other accounts receivable, Net	120,892	145,677
Prepaid expenses and other assets	5,950	4,259
Fixed assets - Net of accumulated depreciation of \$39,328 and \$35,732 as of March 31, 2021 and March 30, 2020, respectively	27,594	30,421
Intangible assets - Net of accumulated amortization of \$25,450 and \$21,166 as of March 31, 2021 and March 30, 2020, respectively	33,757	22,093
<b>TOTAL ASSETS</b>	<b>\$ 278,622</b>	<b>\$ 267,446</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued other liabilities	\$ 6,634	\$ 5,215
Obligations under capital leases	70	706
Accrued wages and benefits	11,418	10,164
Accrued FECA and unemployment benefits	231	225
Accrued actuarial FECA benefits	4,381	4,276
Deferred revenue <sup>1</sup>	93,190	109,195
Accrued annual leave	24,221	19,804
Note payable to National Credit Union Share Insurance Fund	-	4,693
<b>TOTAL LIABILITIES</b>	<b>140,145</b>	<b>154,278</b>
 <b>FUND BALANCE</b>	 <b>138,477</b>	 <b>113,168</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <b>\$ 278,622</b>	 <b>\$ 267,446</b>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**

**For the periods ended March 31, 2021 and 2020**

**(Dollars in thousands)**

	<b>March 2021</b>	<b>Year-to-Date March 2021</b>	<b>Year-to-Date March 2020</b>
<b>REVENUES</b>			
Operating fees	\$ 10,203	\$ 31,063	\$ 36,398
Interest	1	11	243
Other	57	94	287
Total Revenues	10,261	31,168	36,928
 <b>EXPENSES, NET<sup>1</sup></b>			
Employee wages and benefits	9,645	23,644	22,086
Travel	11	38	1,612
Rent, communications, and utilities	64	440	539
Contracted services	1,316	3,655	3,894
Depreciation and amortization	312	916	706
Administrative	106	292	874
Total Expenses, Net	11,454	28,985	29,711
 <b>EXCESS OF REVENUES OVER / (UNDER) EXPENSES</b>	 (1,193)	 2,183	 7,217
 <b>FUND BALANCE—Beginning of period</b>	 <u>139,670</u>	 <u>136,294</u>	 <u>105,951</u>
 <b>FUND BALANCE—End of period</b>	 <u>\$ 138,477</u>	 <u>\$ 138,477</u>	 <u>\$ 113,168</u>

<sup>1</sup> Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 62.3% and 61.3% for 2021 and 2020, respectively.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION  
OPERATING FUND**

**STATEMENTS OF CASH FLOWS**

**For the periods ended March 31, 2021 and 2020**

**(Dollars in thousands)**

	<u>March 2021</u>	<u>Year-to-Date March 2021</u>	<u>Year-to-Date March 2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of revenues over (under) expenses	\$ (1,193)	\$ 2,183	\$ 7,217
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	823	2,417	1,825
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	-	3,162	2,184
Employee advances	1	1	(9)
Other accounts receivable, net	(99,874)	(120,577)	(145,316)
Prepaid expenses and other assets	(856)	(1,916)	(245)
(Decrease) increase in liabilities:			
Accounts payable	(1,989)	(1,455)	(4,087)
Accrued wages and benefits	2,593	829	138
Accrued FECA and unemployment benefits	77	77	56
Accrued actuarial FECA benefits	-	-	-
Deferred revenue	93,190	93,190	109,195
Accrued annual leave	1,883	1,883	859
Accrued employee travel	-	(82)	(708)
Net Cash Used in Operating Activities	<u>(5,345)</u>	<u>(20,288)</u>	<u>(28,902)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed and intangible assets	(332)	(766)	(264)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Used in Investing Activities	<u>(332)</u>	<u>(766)</u>	<u>170</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(335)
Principal payments under capital lease obligations	(19)	(19)	(570)
Net Cash Used in Financing Activities	<u>(19)</u>	<u>(19)</u>	<u>(905)</u>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,696)	(21,073)	(29,637)
<b>CASH AND CASH EQUIVALENTS—Beginning of period</b>	<u>96,010</u>	<u>111,387</u>	<u>94,492</u>
<b>CASH AND CASH EQUIVALENTS—End of period</b>	<u>\$ 90,314</u>	<u>\$ 90,314</u>	<u>\$ 64,855</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>			
Acquisition of equipment under capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>
<b>CASH PAYMENTS FOR INTEREST</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22</u>

The balances in the statement above are preliminary and unaudited.